(c) Each country has model collaboration agreement for oil sharing and agreements are generally based on such model agreements. Though, the efforts are being made to have right on its share of equity oil, however, in case of some countries where such rights are not available, the agreements are entered on the basis of commercial considerations.

Oil and gas extraction in country

1592. SHRI RAVULA CHANDRA SEKAR REDDY: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the country is still lagging behind in the field of extracting petroleum and natural gas;

(b) if so, the details thereof and the reasons therefor; and

(c) what steps Government is taking to fill the gap and to compete with the other countries in future?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MURLI DEORA): (a) No Sir, oil and gas are being produced optimally from existing discovered fields.

(b) As a result of exploration activities in the Production Sharing Contracts (PSC) regime total 79 oil and gas discoveries have been made.

So far, commercial production of oil and gas has already started in 6 blocks in addition to existing producing fields. Other discoveries are under various stages of development appraisal and evaluation.

(c) Government is offering more and more blocks under New Exploration Licensing Policy (NELP) on International Competitive bidding process in which Indian companies as well as Foreign Companies are participating regorously. They are implementing new technologies for exploration and exploitation of oil and gas.

Possibility of delisting of ONGC

1593. MS. SUSHILA TIRIYA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that ONGC faces threat of delisting; and

(b) if so, the reasons therefor?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MURLI DEORA): (a) No, Sir.

(b) Does not arise in view of (a) above.

Slashing of subsidy on LPG and kerosene

1594. SHRI B.K. HARIPRASAD: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government feels that the international crude prices now ruling above $95.00 a barrel, are unlikely to come down in the near future;

(b) if so, what contingency plans Government has in place to ensure continuous supply of petro-products in the country; and

(c) whether Government is considering slashing of the subsidy presently given to consumers on LPG and Kerosene?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MURLI DEORA): (a) The Global prices of crude oil and petroleum products have remained high and volatile since 2004 with the Indian Basket of crude oil having reached its all time high of $ 92.13/ barrel on 26.11.2007. The price of crude oil and petroleum products in the international market fluctuates on daily basis.

(b) As far as physical supplies of crude and petro-products are concerned, no major supply shortage has been reported in the international market. In the recent years, Government has diversified the source of crude oil to about 25 countries, has encouraged the oil PSUs to pursue equity oil and Exploration & Production activities abroad and has also encouraged use of bio-diesel & ethanol blended petrol in the country. Also, a Strategic Reserve for crude oil of 5 MMT capacity is scheduled to come up at Vizag, Mangalore and Padur to deal with short term supply distribution.

(c) The Government has extended the existing Subsidy Schemes, namely, "PDS Kerosene and Domestic LPG Subsidy Scheme, 2002" and "Freight Subsidy (for far flung areas) Scheme, 2002" for a period of three more years i.e. from 1.4.2007 to 31.3.2010.

The final rate of subsidy admissible under "PDS Kerosene and Domestic LPG Subsidy Scheme, 2002" and "Freight subsidy (for far Flug areas) Scheme, 2002" would be the same as followed from 2004-05 onwards i.e. one-third (1/3rd) level of the rate of subsidy of 2002-03.

Hike of price of petro products

1595. SHRI KUMAR DEEPAK DAS: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the fiscal measures being taken to compensate State-run firms for selling fuel below cost; and

(b) whether there is any proposal for price hike on fuel like petrol, diesel, kerosene and LPG?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MURLI DEORA) : (a) The Government is partly compensating the Public Sector Oil Marketing Companies (OMCs) for their under-recoveries resulting form the impact of high international oil prices on retail price of sensitive petroleum products. The following fiscal measures have been taken to compensate OMCs.

* Issue of Oil Bonds for an amount equal to 42.7% of their under-recoveries accrued from sale of sensitive petroleum products.

*Sharing of under-recoveries by the upstream oil companies by offering discounts on crude oil and petroleum products.

*Rationalisation of taxes and duties on crude oil and sensitive petroluem products.

(b) As regards pricing of sensitive petroleum products namely petrol, diesel, PDS Kerosene and Domestic LPG, Government has been taking all possible measures to ensure that there is no hardship to the common man. The Government has adopted the principle of equitable burden sharing to protect the interest of common man and vulnerable section of society. The Government is closely monitoring the international oil prices and will continue to protect the interests of consumers.